

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

Sandra L. Rowe,

Licensee.

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No. D 04 - 120

ORDER REVOKING LICENSE

To: Sandra L. Rowe
12012 E. Mission Ave
Spokane, WA 99206

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your license is **REVOKED**, effective June 30, 2004, pursuant to RCW 48.17.530 and RCW 48.17.540 (2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. As a result of complaints being filed against Farmers Insurance Group of companies (Farmers) agent Sandra L. Rowe (licensee) by Tammy Henning and Cheri Lewis, two separate investigations (03-0744 and 04-0019) were opened by the Office of Insurance Commissioner (OIC) and assigned to OIC Investigator Tom Talarico to determine if the licensee was in compliance with the Insurance Code of the State of Washington and the administrative regulations adopted by the Insurance Commissioner.

2. As a part of the OIC's investigation, Talarico was provided information from consumers Tammy Henning, Cheri Lewis, and Matt Thurley; Amy Lexa, Tim Broderius, Michelle Stewart, Leena Bro, and Michael Tupling, former Customer Service Representatives (CSR) in the licensee's agency; and former agents Marlin Guell, Charles Knight, and Bill McCauley. Robert P. Simmons, Jr., Executive Director for Farmers provided information to the OIC on behalf of Farmers. During the investigation, Talarico discovered the following:

a.) Ms. Henning contacted the licensee in July 2003 to obtain insurance through Farmers on her auto, home, and wedding rings. Ms. Henning wrote a \$150.00 check (July 30, 2003) to the licensee for the auto coverage and the licensee faxed a binder (# 92449390) for the home insurance to First American Title Company. First American sent a \$446.00 check to the licensee for the first year's insurance coverage on the home. Ms. Henning was contacted by the auto financing company demanding proof of insurance. Ms. Henning contacted the licensee several times to provide proof of insurance to the finance company. She was told that the proof would be put in the mail. No proof was ever sent to the finance company and when no policies arrived from the licensee, Ms. Henning called Farmers. During Farmers' investigation it found that no applications were ever submitted and Ms. Henning's check and First American's check were found in the licensee's files. Policies have now been issued by Farmers.

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b.) Ms. Lewis went into the licensee's office in September 2003 for two reasons. Ms. Lewis had received a notice from Farmers that her life policy was going to be canceled for non-payment and she wanted to get auto insurance on her 2000 Ford Explorer. The licensee told her that Ms. Lewis' ex-husband had paid the life insurance premium and to ignore the notice, it had crossed in the mail with the payment. The licensee went on to say that she would need \$211.00 for the first two months for the auto policy. Ms. Lewis wrote a check dated September 19, 2003. Ms. Lewis stated that while the licensee was writing information for her auto policy the licensee made out a temporary proof of insurance card identifying Farmers as the authorized Washington insurer. December 12, 2003 Ms. Lewis was involved in an auto accident and when she reported it, she was informed by Farmers that she was not covered by insurance on the 2000 Ford Explorer. During Farmers' investigation it found that no applications were ever submitted and Ms. Lewis' checks were found in the licensee's files. Policies have now been issued by Farmers and coverage has been extended to cover the accident of December 12, 2003.

c.) In Mr. Thurley's complaint to OIC he stated that in March 2003 he gave a check for \$346.00 to the licensee and was assured by the licensee that he had full coverage through Farmers for his 1994 Ford Explorer. Mr. Thurley was issued a hand written, State of Washington, evidence of insurance card by the licensee. The card showed Farmers was covering a 1994 Ford Explorer, policy number 161237813, effective date of 3/05/03 with an expiration date of 10/5/03. When Mr. Thurley did not receive a policy, he filed a complaint with OIC. During Farmers' investigation it found no evidence of the check. Based on the information provided by Mr. Thurley Farmers made an offer, if Mr. Thurley would replace the missing check, Farmers would issue a policy back dating the coverage to reflect the coverage that best matched the premium paid.

d.) CSRs Amy Lexa, Tim Broderius, Michelle Stewart, and Leena Bro advised Talarico that the licensee would frequently give insurance quotes and accept monies without giving proper receipts and would not submit the monies to Farmers in a timely fashion. When consumers would question why they had not received a policy, the CSRs would check the records and agency files only to discover that the checks were in the files and/or no money could be accounted for. The CSRs related to Talarico that there were instances where the licensee would receive cash payments and divert them to her personal use, saying to the CSRs that she would make it up later.

3. Receiving funds that belong to another person as a result of an insurance transaction are deemed to have been received in a fiduciary capacity. The licensee shall promptly account for and pay the funds to the person entitled to the funds. The licensee who, not being lawfully entitled thereto, diverts or appropriates funds received in a fiduciary capacity to his or her own use, shall be guilty of larceny by embezzlement. In her capacity as an insurance agent the licensee's conduct, noted above, violated RCW 48.17.480 (3), (4).

4. Investigator Talarico sent the licensee written inquiries on November 19, December 3, and December 19, 2003. These inquiries related to the business of insurance. She did not respond to any of them. Each such failure to respond promptly in writing violated RCW 48.17.475.

5. As reflected in RCW 48.01.030, the business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters, and upon the insurer, the insured, their providers, and their representatives rests the duty of preserving inviolate the integrity of insurance. Pursuant to RCW 48.30.010, no person engaged in the business of insurance shall engage in unfair or deceptive acts or practices in the conduct of such business as such acts or practices are defined and prohibited by the insurance code. By her conduct described above, the licensee breached the duty imposed by RCW 48.01.030 and engaged in unfair and deceptive acts and practices in violation of RCW 48.01.030.

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By reason of your conduct, you have shown yourself to be and are so deemed by the commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, your license is revoked pursuant to RCW 48.17.530(1) (b), (d), (e), and (h).

IT IS FURTHER ORDERED that you return your insurance agent's license certificate to the Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention Scott Jarvis, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 10th day of June, 2004.

MIKE KREIDLER
Insurance Commissioner

By

SCOTT JARVIS
Deputy Commissioner

Investigator: Tom Talarico